

BATTLE GROUND SCHOOL DISTRICT No. 119
Clark County, Washington
September 1, 1992 Through August 31, 1993

Schedule Of Findings

1. The District Should Improve Controls Over Employee Contract Administration And Require Documentation That Services Were Performed Before Payment

Our tests of the district's compliance with state laws regarding employee supplemental contracts and other compensation disclosed a number of weaknesses in contract administration and payroll system controls which resulted in violations of state laws. The district estimates that its 475 full time equivalent employees had approximately 200 supplemental contracts, totaling nearly \$736,300 during the 1992-93 school year. Of the 27 employee files we tested, we found the following problems in 24 of them:

<u>Certificated Staff</u>	<u>Basic Contract Days</u>	<u>Basic Contract Amount</u>	<u>Supplemental Contract Payments</u>		<u>Other Payments</u>	<u>Contract Adjust. & Inservice</u>	<u>Leave Buy-Back Payments</u>	<u>Total Payments</u>
Teacher	180	\$41,319	\$6,887 (a)		\$ -0-	\$1,462	\$ 491 (f)	\$ 50,159
Music Teacher	180	44,043	4,596 (c) 8,732		-0-	980	-0-	58,351
Phys. Therapist	126	19,006	239		1,509 (b)	1,041	-0-	21,795
Teacher	180	42,171	2,811 (a,c)		-0-	1,231	-0-	46,213
Teacher/Counselor	180	42,171	4,686 (a,c)		980	-0-	-0-	47,837
Superintendent	220	92,372 (e)	-0-		11,351 (d)	-0-	6,447	110,170
Teacher	180	41,102	6,850 (a)		599 (b)	1,782	-0-	50,333
Teacher Asst./Principal	185	46,771	-0-		3,473 (a,b)	1,419	722	51,836
Psychologist	180	37,520	-0-		3,126 (b)	925	-0-	41,571
P. E. Teacher	180	39,620	3,014 (a) 4,006		236 (b)	1,091	-0-	47,967
Voc. Ed. Teacher	180	42,171	9,611 (c)		-0-	980	439 (f)	53,201
Student Dean of Middle School	180	35,175	11,726 (c,a)		4,691 (b)	1,670	(1,838) 1/	51,424
Voc. E. Teacher	180	41,545	9,232 (a,c)		-0-	1,460	-0-	52,237
Teacher	180	44,043	9,626 (a,c) 440		-0-	1,264	-0-	55,373
Admin. Coordinator	214	54,735	-0-		1,281 (b)	1,282	-0-	57,298
Teacher	180	40,010	3,609 (a) 222		8,480 (b)	1,431	-0-	53,752
Voc. Ed. Teacher	180	39,595	1,959 (a,c) 4,004		-0-	1,406	461 (f)	47,420
Occupational Therapist	114	21,382	704 (a,c)		336 (b)	699	-0-	23,121
Teacher/Student Dean-High School	180	35,175	3,908 (a,c) 5,520		440 (b)	1,316	366 (f)	46,735
Teacher	180	44,043	5,787 (c) 440		50 (b)	1,526	-0-	51,846
Voc. Ed. Teacher	180	37,520	8,338 (a,c)		-0-	1,044	-0-	46,902
Psychologist	180	41,652	12,496 (a,c)		2,923 (b)	1,221	-0-	58,292
Teacher	180	24,535	4,904 (a,c) 4,907		-0-	770	-0-	35,116
Voc. Ed. Teacher	180	33,775	8,444 (c)		-0-	1,081	-0-	43,300

- a. Payment for additional time or duties) The district did not have sufficient documentation that any additional services beyond regular duties were actually performed.
- b. Payment for services not covered by contract.
- c. Supplemental contracts to pay for extra days or duties were not specific enough for performance to be measurable.
- d. Includes \$2,186 for unallowable retroactive contract adjustment of May 24, 1993. The remainder is for travel allowance and tax deferred annuity.
- e. No salary was fixed by the original contract because someone had crossed out the amount. This figure was taken from other documents.
- f. Overpayment of Sick Leave Buy-Back) Rates used to calculate sick leave bought back from employees were calculated at a higher rate than their daily pay rate.
- 1/ Individual had used all earned leave, so they took unpaid leave.

In addition to the control weaknesses (a) through (f), the district's payroll department paid extra amounts above the basic contract without sufficient evidence that additional time or work was performed. Further, the district does not require that employees date the supplemental contracts when they sign them. As a result, we were not always able to determine the date the contracts became effective.

RCW 28A.400.200(4) addresses supplemental contracts, in part:

Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities or incentives. (Emphasis ours.)

Regarding sick leave buy-back, RCW 28A.400.300 (2)(d) states:

Compensation for leave for illness or injury actually taken shall be the same as the compensation such person would have received had such person not taken the leave provided in this proviso

RCW 28A.405.210 states:

No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district . . . shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof (Emphasis ours.)

Regarding backup documentation to verify that the additional services were actually performed, RCW 43.09.200 states:

The state auditor . . . shall formulate, prescribe and install a system of accounting and reporting . . . The accounts shall show . . . all receipts, vouchers, and other documents . . . necessary to isolate and prove the validity of every transaction (Emphasis ours.)

With respect to the superintendent's contract, RCW 28A.400.315 states in part:

Employment contracts entered into between an employer and a superintendent, or administrator . . . (2) Shall not be revised or entered into retroactively.

We recommend the district improve controls over contract administration. Specifically, it should:

- a. Make no payments to certificated employees unless covered by contract.
- b. Identify the specific additional responsibilities, time, or incentives required by the supplemental contracts.
- c. Require documentation that additional services have in fact been performed according to the contract requirements before making payment on them.
- d. Ensure that amounts paid are in accordance with the contracts and state law.

Further, we recommend that the district board of directors set the superintendent's pay, according to state law, by the beginning of the school year, without retroactive revision.

2. The District Should Report Staff Mix Data Correctly And Maintain Adequate Documentation To Support The Reports

School districts are required to annually report to the Superintendent of Public Instruction (SPI), the academic credits and years of experience of its certificated staff. SPI uses this information in its determination of the amount of school apportionment funds due the district.

To ensure that amounts reported are accurate WAC 392-121-280 requires, in part:

School districts shall have documentation on file and available for review which substantiates each certificated employee's placement on LEAP Document 1.

- (1) Districts shall document the date of awarding or conferring of the degree. Documentation shall include date upon which the degree was awarded or conferred as recorded on the diploma or official transcript . . .
- (3) Districts shall document years of experience that are eligible for application on the state-wide salary allocation schedule and on LEAP Document 1. Documentation for years of experience shall be on letters or any other documents that provides evidence of employment including dates of employment.

To test the accuracy of the academic credits and experience reported to SPI, we reviewed 27 certificated employee files. We found many files did not contain adequate support for the credits and work experience reported. In some cases, credits and experience reported were not documented in the employee's files or did not agree with amounts reported. In other cases, work experience was overstated by reporting the same experience twice. We also found some ineligible experience had been included in the figures reported.

When the district submits erroneous staff mix reports to SPI, the district's apportionment may be incorrect.

These errors occurred because the district's personnel department did not adequately verify the employee files, nor review the accuracy of information reported to SPI.

We recommend district officials review certificated employee personnel files and obtain any needed documentation to verify and support staff credits earned and years of experience reported to SPI.

3. The District Should More Carefully Verify The Accuracy Of Information Used In Placing Employees On The Salary Schedule

We tested the accuracy of salary schedule placement for 23 district teachers. In eight cases, we found that the individuals were receiving higher salaries than was supported by documentation in their files. In one case, a teacher was placed at a lower salary level than the personnel file indicated was proper.

WAC 392.121.220 through .280 provide guidance for placement of certificated educational staff on the statewide salary schedule.

The negotiated agreement between the district and the Battle Ground Education Association (BGEA) also provides guidance for placement of certificated educational staff on the district's salary schedule.

It appears that the district did not follow either of the established approved guidelines consistently, which resulted in improper payments during 1993.

For employees tested, erroneous payments totaled \$16,635. We did not estimate the total erroneous payments made to all employees during 1993.

We recommend the district review the files of all certificated employees for 1993 to determine their proper placement on the district salary schedule. Pay adjustments can then be made to individual employees. Further, we recommend the district improve its system of updating and reviewing salary schedule placement to ensure employees are correctly paid.